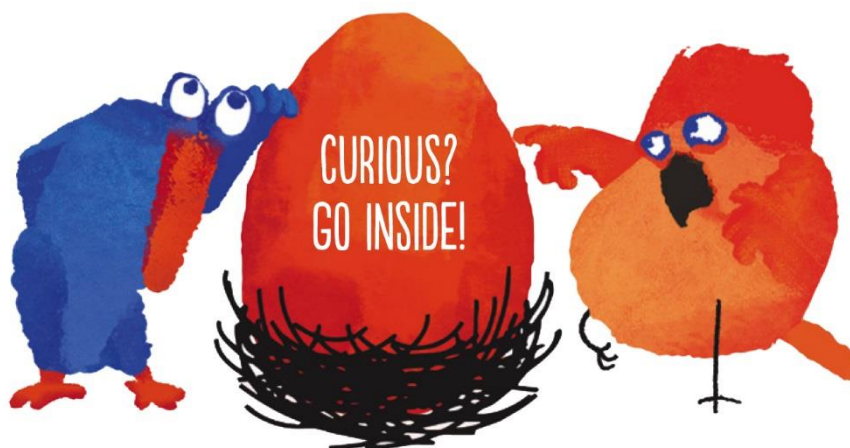


## Code of Conduct



Integrity is the basis of our business.  
honest. fair. transparent.

2017

## Foreword

A1 Telekom Austria Group's vision is "Empowering digital life" for our customers and society.

We are working with our employees to evolve our company to meet the business needs of the "New Economy" in these times of digitalisation. Our common business strategy as well as our Guiding Principles (Team, Trust and Agility) give us direction on how to execute and to achieve our goals. The Guiding Principles are incorporated into our daily business and are the DNA of our company.

For us, it is important not only to achieve our goals, it is also important HOW we achieve our goals. Ethically and legally impeccable conduct is a necessary prerequisite so that customers, stakeholders and employees can trust us. In other words: Integrity is the basis of our business. For us, integrity is more important than short-term business success. In case of doubt, we would rather forego business than enter into transactions that conflict with our principles.

Our Code of Conduct applies to all of our employees and to the entire leadership of the A1 Telekom Austria Group. It contains guidelines and principles for conducting ourselves that conform to our Guiding Principles and the law. However, the Code of Conduct will have a positive effect only if we demonstrate our full commitment to it on a daily basis.

Acting with integrity in our daily business life is essential for the sustainable business success and the reputation of the A1 Telekom Austria Group. It's purely up to us!



Thomas Arnoldner  
CEO A1 Telekom Austria Group



Alejandro Plater  
COO A1 Telekom Austria Group



Siegfried Mayrhofer  
CFO A1 Telekom Austria Group

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## Introduction

Our A1 Telekom Austria Group Guiding Principles “Team, Trust and Agility” describe how we work together. They show us the right way to achieve our common purpose “Empowering digital life” for our customers and society.

The Code of Conduct gives more detailed guidance on how to go about our daily work in accordance with these Guiding Principles, our high ethical standards and the law. We work in a way that justifies the trust of our customers and all other stakeholders. Trust is the basis for all cooperation - while winning someone’s trust is often a long process, losing it can happen in an instant.

We are growing sustainably, while keeping in mind economic, ecological and social aspects. We are empowering digital life in society and facilitating access to the Internet, information and education and thus contributing to improving expertise in the use of new media.

Telekom Austria is also a signatory of the UN Global Compact. As such, we fulfil fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

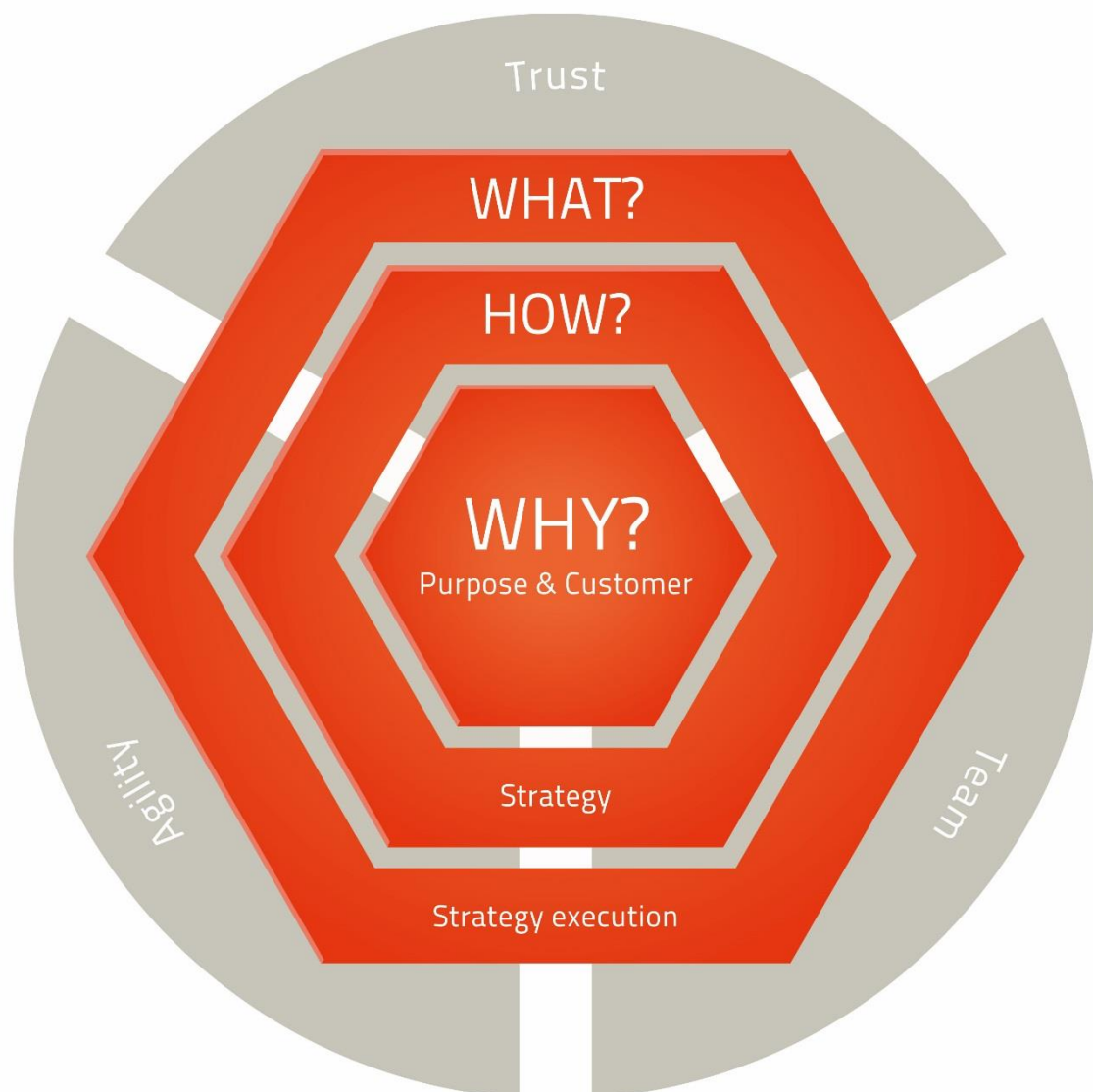
### To whom does this Code of Conduct apply?

Our Code of Conduct applies to all members of the Management Board, leadership teams, managers, employees and members of the external workforce at all companies in the A1 Telekom Austria Group.

We trust our business partners to conduct themselves with integrity and in full accordance with the law as well.

# 1 Empowering Digital Life – Our Guiding Principles

In light of technological evolution, business challenges and the new “Digital Economy”, we need to evolve as a company and do things differently to remain successful. We have to act as one big team to be able to catch up with the future needs of our customers and our business. We live what we sell, encourage diversity, drive motivation and foster an international and modern way of working. Our A1 Telekom Austria Group Guiding Principles support our new ways of working in order to achieve our purpose “Empowering Digital Live”.



## 1.1 Team

We work together and use all our common assets and strengths to meet our customers' expectations. We have a passion for what we do and have fun together. It is important for us to be open, transparent and consistent in what we say and do and we speak to customers, colleagues and partners heart-to-heart. We approach each other directly, independent of hierarchies and organisational units. Teamwork is recognised and has high value in our company, the team is more important than individual heroes. Everyone's opinion counts.

- **Curiosity:** In our team, we communicate openly and learn from each other
- **Diversity:** We embrace our differences to improve together to achieve better results
- **Result:** Together we focus on our goals, take ownership and are proud of our team results

## 1.2 Trust

Trust enables an environment where curiosity, openness and collaboration is key. We are open and transparent in what we say and do and are authentic in our conduct and actions. When it comes to decision-making, we value competence. When we take a decision, we act upon it and stick to our promises. We trust in the knowledge and empowerment of every colleague – it makes us better every day. With trust, all of us receive better internal and external role models and act responsibly and with integrity. It starts with you! Don't be afraid – trust and you will be trusted.

- **Spirit:** We believe in ourselves, our teams and our solutions
- **Authenticity:** We act with integrity so that our customers, colleagues and partners can trust us
- **Transparency:** We are open, fair and honest in our intentions and actions

## 1.3 Agility

The digital world does not wait for us to change. If we are agile in our actions, we will remain relevant. We proactively take action and address topics and take responsibility for them. We are flexible and adapt to new situations quickly. We do not wait, we do not postpone, instead we reflect, take a decision and execute it fast. Sharing and collaborating with colleagues across the Group is part of how we work together in our daily business.

Asking good questions instead of knowing all the answers is key. We constantly want to learn and improve and use every opportunity to do so: in our daily work, when talking to colleagues, in our social networking. If we fail, we learn from our mistakes, get up again quickly and act fast again. We never stop learning and always start again!

- **Just do it:** It's better to be fast and learn from failures than to do nothing at all
- **Innovation:** We act on opportunities to deliver results for our customers
- **Flexibility:** We are curious, solution oriented and flexible when taking action

## 1.4 Customer Experience

Without our customers, there is no business. It's that simple. We are not driven by internal processes, but place a strong focus on customer needs and our business strategy. In our daily business, we think constantly about what is best for the customer and how we add value to the company. We try, fail and learn fast along with our customers. We want our customers to trust us. Customer experience means more than thinking about improving our customers' lives today. We should always think about the customer experience of tomorrow and be proud of what we do.

- **Ownership:** Run your team or project like your own business
- **Customer needs:** Understand your partners and customers and build your solutions on their reality and to their benefit
- **External focus:** Meet the customers where they are and have an outside-in perspective

## 2 Basic Principles of Conduct

### 2.1 Responsibility for the Reputation of the A1 Telekom Austria Group

The reputation of the A1 Telekom Austria Group is highly influenced by the way in which each of us presents ourselves, performs and conducts ourselves. Illegal or inappropriate conduct by one single employee can do considerable damage to the entire organisation.

All employees must respect, preserve and foster the reputation of the A1 Telekom Austria Group in their activities.

### 2.2 Interacting with Each Another

Inspired by our Guiding Principles we act as one team. We create a culture of cooperation, in which we are willing to trust and support each other. We value our diversity and include everyone.

We are passionate in what we do, try new things and experiment. We do things fast and show what is possible. We find ways to overcome obstacles.

We communicate openly and learn from each other. We truly listen to each other, share our knowledge and our network. We challenge and recognise each other's' strengths. We give honest and respectful feedback.

We make ourselves accessible to others. We proactively offer support if we see that it might be needed. We don't blame colleagues for mistakes. Only if we learn from our mistakes, we can develop further.

We treat colleagues as we want to be treated. We are honest, fair and authentic and we show respect.

We are performance-oriented and are committed to achieving the best possible results. We acknowledge and reward outstanding achievements, while recognising that individuals have different talents and skills.

Managers support their employees in achieving a balance between their professional and private lives and in taking advantage of what the company offers for the improvement of their work-life-balance and health. This creates the basis for productive employees.

We respect the right of freedom of association and assembly and work constructively together with our employee representatives to achieve a fair balance of interests where applicable.

We do not tolerate any form of sexual harassment or workplace bullying.

## 3 Integrity in our Daily Business

Acting with integrity is an absolute must for sustainable success in business. We act in accordance with all applicable laws and regulations and our internal guidelines. In situations where we are not bound by a legal framework, we conduct ourselves just as we would expect from others: honestly, fairly and transparently.

First and foremost, our managers are responsible for integrity in our business by setting the appropriate tone at the top. It is their responsibility to address the importance of this conduct on a regular basis and to set an example with their own conduct. This does not, however, release employees from their own responsibility to act ethically and with integrity. Together we must strive to comply with the laws and guidelines and to live up to our Guiding Principles.

Recruitment and talent management within A1 Telekom Austria Group are based on qualification criteria and not on personal relationships, cronyism, or nepotism. Our Performance Management ensures that business goals are achieved in compliance with the law and our internal guidelines.

To support our culture of trust and integrity, A1 Telekom Austria Group utilises an elaborate compliance management system with clear rules and procedures based on the two main pillars: prevention and detection.

### 3.1 Business Relationships

Dealings with our business partners are characterised by trust and fairness. Our business decisions must not be influenced by private interests and personal advantages.

#### 3.1.1 Business Relationships with Customers

The image of the A1 Telekom Austria Group is formed by the way we interact with our customers. We obey the law and treat our customers as we would like to be treated ourselves.

We think about how to shape our customers' future and build products and services on customers' needs and feedback.

We win contracts fairly, based on the quality and price of our innovative products and services. Accordingly, our contracts are not won by offering, promising, or granting illegal benefits to public sector employees or decision-makers in private industry. We follow strict rules with regard to gifts and invitations to business meals and events.

Irrespective of our obligations under local laws, our policies concerning our relationships with government officials are also based on the Foreign Corrupt Practices Act (FCPA) and are applicable group-wide.

If public sector employees or decision-makers in private industry request that we grant illegal benefits in a particular case, we inform our managers or report the incident to a compliance manager (for a contact list, see [www.A1.group/compliance](http://www.A1.group/compliance)) or the A1 Telekom Austria Group [tell.me-whistleblowing portal](http://tell.me-whistleblowing.portal).

#### 3.1.2 Business Relationships with Competitors

The A1 Telekom Austria Group acknowledges that free competition is a fundamental element of the market-based system. Fair, transparent conduct on the market ensures the competitiveness of the A1 Telekom Austria Group. We respect national and international anti-trust law. We do not engage in price fixing or illegal market agreements with



competitors and we do not enter into agreements or deals with regard to issuing sham offers.

In our activities with associations or interest groups, we pay special attention to adhering to the conduct guidelines of anti-trust law. If we are aware that other participants are violating anti-trust law in such bodies or within the scope of association events, we will immediately withdraw from these bodies and we inform our superior or report the incident to a compliance manager (for a contact list, see [www.A1.group/compliance](http://www.A1.group/compliance)) or the A1 Telekom Austria Group tell.me-whistleblowing portal.

We do not disseminate false information about our competitors' products and services or attempt to gain a competitive advantage in other unfair ways. In particular, we are against unlawfully obtaining information on our competitors.

### **3.1.3 Business Relationships with Suppliers**

We maintain trusting, fair business relations with our suppliers and in return expect the same from our suppliers.

Our procurement procedures comply with the laws and regulations of the countries in which we operate. Procurement is responsible for competently procuring goods and services at the best possible conditions. Purchasing regulations are strictly adhered to.

With all its suppliers, the A1 Telekom Austria Group works toward upholding legal anti-corruption regulations and integrity standards. Whenever possible, it prefers to work together with suppliers that are environmentally friendly and socially responsible.

Our business decisions are made solely in the interests of the A1 Telekom Austria Group; personal interests are put aside. In making business decisions we cannot allow ourselves to be influenced by suppliers that offer or promise us improper benefits and we will not accept such benefits if they are offered to us. Similarly, we do not request that our suppliers grant us any improper advantages.

Based on transparent contracting, performance documentation and strict approval processes, we ensure that there are no violations of internal and external rules, whether by a consulting contract or lobbying activities. In particular, we strive to ensure that consulting and lobbying fees are used appropriately.

We wish to avoid any possible perception that our business decisions have been influenced by advantages granted to us. If we are uncertain of whether we can accept a gift, an invitation to a business meal, or an invitation to an event by a supplier, we ask our superior, a compliance manager, or send an e-mail to: "[ask.me@A1.group](mailto:ask.me@A1.group)".

If we are offered, promised, or granted prohibited advantages, we inform our superior or report the incident to a compliance manager (for a contact list, see [www.A1.group/compliance](http://www.A1.group/compliance)) or the A1 Telekom Austria Group [tell.me-whistleblowing portal](http://tell.me-whistleblowing.portal).

### **3.1.4 Relationships with Third Parties**

#### **3.1.4.1 Shareholders**

The A1 Telekom Austria Group is committed to upholding the Austrian Corporate Governance Code and to managing and controlling the company responsibly, with an eye towards sustainable value creation.

Communication with the capital market is open and transparent. We are committed to the principle that shareholders should be treated equally under equal conditions.

### **3.1.4.2 Donations and Sponsoring\***

As a responsible member of society and within the scope of legal and financial possibilities, the A1 Telekom Austria Group supports education, science, social and environmental initiatives with financial and material donations.

Financial and material donations are not granted to individuals, private bank accounts, political parties, or organisations with close ties to political parties. This also applies to organisations that could damage the interests or the reputation of the A1 Telekom Austria Group.

All sponsoring activities require appropriate, demonstrable communication and marketing services from the sponsoring partner and are transacted transparently.

\* As opposed to sponsoring, the donor does not expect commercial consideration in return in case of a donation.

### **3.1.4.3 Media**

The A1 Telekom Austria Group respects the independence of journalistic reporting.

For this reason, under no circumstances do we attempt to influence journalistic reporting by placing advertisements.

### **3.1.4.4 Business Partner Due Diligence**

For the A1 Telekom Austria Group, it is important to work only with those partners that respect the rule of law and act with integrity. Therefore, we perform a risk-based due diligence with third parties.

The A1 Telekom Austria Group takes all necessary measures to prevent money laundering and terrorist financing within its scope of influence. A1 Telekom Austria Group also complies with all applicable embargo and sanctions regulations.

## **4 Handling Information**

We protect personal information and business secrets that become known to us as a result of our business relationships. This also applies to information outside of employees' professional fields of activity. We have put in place rules, procedures and controls for the protection of confidential information.

As a transparent company, we place great importance on correct and truthful reporting. This applies equally to our relations with the capital market, employees, customers, business partners, as well as with the public and all official authorities.

### **4.1 Data Protection**

Privacy is a legally protected right. We are aware of the highly sensitive nature of the personal data provided to us by our customers, employees, shareholders and suppliers and do our utmost to protect these data. In the A1 Telekom Austria Group, each one of us is responsible for maintaining this confidentiality within the scope of our tasks.

We collect and process personal data only with the consent of the person concerned, if it is legally permitted and if it is necessary to satisfy a contractual or legal obligation. Moreover, we collect, process and use personal data only to the extent necessary and only for the purpose intended. We are aware that data processing is always tied to a specific purpose and cannot be exercised without restriction.

We respect the comprehensive rights of the individuals whose data we collect, process, or use. We process the data within the framework of local legislation.

## 4.2 Data Security

Data security is very important to the A1 Telekom Austria Group. It has considerable influence on the success of our business and our public image. Accordingly, we protect company data just as we protect our customers' and employees' personal data: with all the suitable and appropriate technical and organisational means at our disposal to prevent unauthorised access, unauthorised, or abusive use, loss, or premature deletion.

## 4.3 Maintaining Confidentiality

In addition to the organisational and technical measures for data protection, each one of us has the obligation to maintain operational and business secrets. Information of this nature must be safeguarded and is communicated to persons within the company only if they need it for their professional tasks. This also applies to information in which contractual partners of the A1 Telekom Austria Group have confidential interests, particularly if this is contained in a special confidentiality agreement.

For personal conversations or telephone calls with colleagues in public, we always take care to keep information confidential. In addition, we do not let outsiders view our business documents.

The obligation to maintain secrecy also continues without limitation after the employment relationship has ended.

## 4.4 Dealing with Insider Information

As a listed company, Telekom Austria AG is subject to the strict requirements of the capital market regulation.

We are aware that abusing insider information – i.e. the purchase and sale of securities, bonds and other related financial instruments with the advantage of having previous knowledge that is unavailable to other market participants – or making recommendations for, cancelling or changing a trading order by using insider information, or disseminating insider information without operational necessity are prohibited and constitute criminal offenses.

All information to which the stock price might react in a sensitive manner is strictly confidential. Such information may be disseminated only when operationally necessary and this need must be documented.

## 4.5 Financial Integrity

Within the scope of our professional tasks, we ensure that the books and records we produce are complete and correct and give a true and fair view of the economic and financial situation of the company, that every transaction or expenditure is reflected appropriately and that they are produced in time in accordance with the currently applicable rules and standards. We are thereby guided by our internal control system that is designed to assure compliance to all relevant financial reporting requirements including SOX (the Sarbanes Oxley Act).

## 5 Preventing Conflicts of Interest

Everything we do within the scope of our professional tasks is oriented toward the interests of the company. All employees are called upon to avoid situations in which their personal or financial interests conflict or could conflict with the interests of the A1 Telekom Austria Group. We avoid situations that could give any impression that our business decisions are influenced by personal interests.

However, it is not always possible to prevent such conflicts of interest. Without being asked, we fully inform our superior about anything that could be a possible conflict of interest as soon as possible.

### 5.1 Conflicts of Interest from Secondary Employment

Secondary employment is any activity outside of the primary place of work in which an employee works for a third party to a significant extent – irrespective of whether the work is paid or not paid. This also applies to self-employment as a secondary employment.

We may not engage in secondary employment that is contrary to the interests of A1 Telekom Austria Group, in particular if prohibited by reasons related to competition. Paid secondary employment must be reported and if it impedes one's professional duties in the A1 Telekom Austria Group it can be prohibited by Human Resources. This also applies to supervisory board or advisory board activities in companies outside the A1 Telekom Austria Group.

### 5.2 Private Investments

Employees who influence or can exert influence on the awarding of contracts of purchase must disclose their stake in the company of the business partner to their superior and the Purchasing department if the stake exceeds 5%. This also applies to stakes of close relatives (spouse, partner, children, siblings, parents).

Shares held in companies competing with A1 Telekom Austria Group on the same markets that allow business influence are subject to approval by the Management Board.

### 5.3 Conflicts of Interest with Close Relatives

If we know that close relatives (spouse, partner, children, siblings, parents) are involved in contractual negotiations on the side with a business partner, this fact must be properly reported to the employee's superior.

### 5.4 Handling Company Property

We handle company property at our disposal properly and with care. We do not use company property for private purposes or for activities that do not serve the purpose of the company. Private use of company property is permitted only if allowed by the respective regulations or if it is company practice.

Intellectual property is a valuable asset to be protected from unauthorised use. This includes copyrights, trademark rights and patent rights.

### 5.5 Using Social Networks and collaboration platforms

Many of us use social media platforms for private use. When we carry out web activities as individuals and not within the scope of our professional tasks at the A1 Telekom Austria

Group, we always make it clear that we are stating our personal opinions and not those of the company.

We always clearly state that company statements in social networks are company statements.

When we use our A1 Telekom Austria Group collaboration platforms, we comply with the usage guidelines.

## 5.6 Rebates

We do not accept personal rebates from business partners or competitors of the A1 Telekom Austria Group that are granted to us with regard to our job at the A1 Telekom Austria Group, unless these rebates are offered to all the employees or to a large group of employees at A1 Telekom Austria Group.

# 6 Adhering to Standards of Conduct

We have goals that we want to achieve and in doing so we act in accordance with the law and with integrity.

Misconduct and violations of conduct standards have serious personal consequences not only for the individual, but also for the entire company. For this reason, misconduct cannot be tolerated. Managers have a special role model function in this regard.

The A1 Telekom Austria Group disciplines conscious, unlawful misconduct and violations of internal guidelines consistently, regardless of the rank or position of the person involved.

Information provided by honest and trustworthy employees is one of the most effective ways of exposing misconduct in the company and is therefore an appropriate measure to expose serious risks at an early stage within the A1 Telekom Austria Group. Any employee can report a violation or suspicion of a violation of the legal framework, the Code of Conduct and internal guidelines. Nothing negative will happen to whistleblowers who have provided information to the best of their knowledge.

Whistleblowers should first approach their direct superior for initial support. If this is not possible, information can be addressed to a compliance manager (for a contact list, see [www.A1.group/compliance](http://www.A1.group/compliance))

Information can also be provided through the A1 Telekom Austria Group [tell.me-whistleblowing portal](https://www.bkms-system.net/tell.me) (<https://www.bkms-system.net/tell.me>). If you wish, you can remain completely anonymous. In this case, please use the option of opening an electronic mailbox in the [tell.me-whistleblowing portal](https://www.bkms-system.net/tell.me) so that you can stay connected anonymously with the compliance manager during the investigation.

The details will be investigated and checked under strict confidentiality by individuals who have an obligation to maintain secrecy.

Persons who intentionally spread false information about other employees are guilty of misconduct themselves.

## 7 Questions

Ethical and compliance questions that come up in daily work that cannot be adequately answered by this Code of Conduct or by the internal guidelines should be discussed with one's superior. Moreover, questions and comments on the Code of Conduct and the Compliance Guidelines can be addressed to the compliance manager.

If you have any further questions please contact Group Compliance. You can reach Group Compliance at [ask.me@A1.group](mailto:ask.me@A1.group).

Contact information about how compliance is organised and more information on the Code of Conduct and the Compliance Guidelines can be found on the intranet and on our corporate website at [www.A1.group/compliance](http://www.A1.group/compliance).



INTEGRITY IS  
THE BASIS  
OF OUR BUSINESS!



YEP:  
HONEST.  
FAIR.  
TRANSPARENT.